Alberta
ENERGY

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GAS ROYALTY CALCULATION INFORMATION BULLETIN
March 2007

07-03

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PLEASE ENSURE YOUR PRODUCTION ACCOUNTANTS RECEIVE A COPY OF THIS DOCUMENT.

A. PRICING RATES AND TRANSPORTATION INFORMATION

For Pricing, Royalty Rates and Transportation Information for January 2007, refer to Attachments 1, 1A, 2, 2A, and 3. These attachments are also available in Excel format.

B. NOTICES

December 2006 Production Royalty Due Date is March 30, 2007

The royalty due date for December 2006 production issued in February 2007 is due on or before March 30, 2007. Section 18(3) of the Natural Gas Royalty Regulations, 2002 provides for payment of the royalty invoice issued in February (December production month) on or before the last day in which the offices of the department are open in March.

Expected AC5 and EAGEV Reports on the Registry

On April 16, May 1, and May 10, 2007, the Expected Custom Processing (AC5) report and the Energy Adjusted Gas Equivalent Volumes (EAGEV) report will be delivered on the Registry for client access. The delivery of the EAGEV report on these specific dates is intended for the convenience of the client only, and is not intended to replace the normal delivery and/or availability of the report that is scheduled monthly. The reports will be available in PDF, TXT, and CSV formats.

Non-operators and other royalty clients that currently submit and receive hard documents will continue to receive the expected AC5 report accompanied by an EAGEV report and cover letter, by mail, on the same delivery schedules prescribed above.

Please be reminded that the deadline for filing an AC5 document, for the production year 2006, is May 15, 2007.

If you have any questions, please contact your Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin or contact Joey Dennis at (780) 422-9260.

C. MONTHLY INFORMATION

January 2007 Royalty Due April 30

- **Royalty clients are to remit the total amount payable shown on the April 2007 Statement of Account by April 30, 2007.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.

- **The April 2007 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your January 2007 Invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.**

- Current period interest will not be charged on current invoice charges for the production month of January 2007 if it is paid in full by April 30, 2007.

- Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.

  Note: If the due date falls on a non-business day, the next business day will apply as the due date.

- Cheques are payable to the Minister of Finance, Province of Alberta.

February 2007 VA4 Due April 15

The VA4 forms for the production month of February 2007 are due in the department offices by April 15, 2007.

Note: If the due date (15th) falls on a non-business day, the next business day will apply as the due date for VA4 forms.

February 2007 Production Reporting

February 2007 production reporting is submitted through the Registry. The deadline for submission of SAF, OAF, and Volumetrics is posted in the Petroleum Registry of Alberta website "Reporting Calendars" under Bulletin Board.

Changes to this calendar will be posted on the Registry website home page in "Broadcast Messages."

Interest Rate March 2007

Alberta Energy's interest rate for March 2007 is 7.00%

December Provisional Assessment Charge

The summary of Provisional Assessment Charges for all production periods in the December 2006 billing period was:

First Time Provisional Assessment	Reversals of Provisional Assessment	Net Provisional Assessment
$4,438,012.31	**($4,533,196.54)**	**($95,184.23)**

December Penalty Charges

The penalty table below shows at the form level, the total penalty charges and reversals, for the December 2006 billing period:

FORM	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2006/12
AC2	$5,800	($1,800)	$4,000
AC4	$200	$0	$200
AC5	$900	$0	$900
GR2	$0	$0	$0
NGL1	$0	$0	$0
VA2	$0	$0	$0
VA3	$0	$0	$0
VA4	$400	$0	$400
Total	$7,300	($1,800)	$5,500

Alberta Royalty Tax Credit Program Quarterly Rate

The Alberta Royalty Tax Credit Program is no longer in effect as of January 1, 2007. However, the Alberta Royalty Tax Credit rates for the past year were:

Fourth Quarter, 2006	.2500
Third Quarter, 2006	.2500
Second Quarter, 2006	.2500
First Quarter, 2006	.2500

For further information, please contact Alberta Finance, Information Services at (780) 427-3044. [Toll-free long distance is (780) 310-0000-427-3044].

Gas Royalty Calculation Support

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to call Richard Stokl, Manager, Client Services (780-422-9258) or e-mail richard.stokl@gov.ab.ca two business days before the meeting date to arrange an appointment. The March through June schedule is as follows:

Where:

AMEC Place
Room 437, 801-6 Avenue SW
Calgary, Alberta
Phone: 403-297-8954
(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

When – 10 am to 3 pm
March 29, 2007
April 26, 2007
May 31, 2007
June 28, 2007

D. INFRASTRUCTURE DATA CHANGES

Client ID Listing

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates, and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:
http://www.petroleumregistry.gov.ab.ca

The department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO role start date with no end date, then that BA can receive allocations from the stated start date forward.
- If a BA has a WIO role start and end date, then they can only receive allocations from the stated start date until the end date. Any allocations after the end date will be rejected.
- If a BA does not have a WIO role start date, then that BA cannot receive allocations at all.

Please contact Client Registry at (780) 422-1395 if you have any questions regarding the information supplied on this listing.

Projects/Blocks

If information is required on Projects or Blocks, please contact Isabelle Warwa at (780) 427-8952.

Client Status Changes

Clients must ensure that all royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at (780) 422-1395.

The following is a list of revived clients:

Company Name	Client ID	Revived Date
NXT Energy Canada Inc.	0G8B	February 27, 2007
Sunac Woodwork Inc.	A0RM	February 21, 2007

Nova Tolls - Multiple Gas Reference Prices

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Natural Gas website's Royalty Related Information page under Facility Royalty Trigger Factors and Meter Station Ties.

E. REMINDERS

Monthly Sulphur Corporate Average Price Calculation – VA4 Form

The department requires royalty clients with an annual sulphur production of 30,000 tonnes or greater in the 2006 production year to file VA4 forms monthly, beginning with the January 2007 production month. The VA4 form is due on or before the 15th day of the second month following the respective production month. A royalty client whose annual sulphur production is less than 30,000 tonnes may choose to file the VA4 forms monthly beginning with January's production month; however, if this choice is made, the client must file VA4 forms for the entire year.

The department will use the VA4 forms to determine each client's monthly Sulphur Corporate Average Price (S-CAP) and the monthly sulphur default price. We calculate each month's sulphur default price as the weighted average unit value of all arms length sales for all clients who filed VA4 forms for that month. The department will value and invoice the Crown royalty share of sulphur production monthly using the respective S-CAP price for clients who file VA4 forms, and the sulphur default price for clients who chose not to file VA4 forms. The VA4 form is subject to $100 in late filing penalties for each month or part of the month the form is past due.

The VA4 form for the production month of January 2007 was due in the department by March 15, 2007.

Royalty clients who file monthly VA4 forms must file annual VA3 forms. The VA3 form remains the primary sulphur valuation tool and the S-CAP determined from each VA3 will replace the entire year's monthly prices determined from the VA4 forms. The VA3 is due on or before April 15th of the year following the year of production. Interest is charged/paid on the Crown royalty difference when adjusting from monthly to annual valuation. The VA3 form is subject to a one-time $1,000 late filing penalty.

The following royalty clients must submit VA4 forms effective with the 2007 production year, which includes any pricing information for each of its consolidated/amalgamated entities:

Client ID	Client Name	Client ID	Client Name
0017	Imperial Oil Resources	A0L6	Fairborne Pivotal Production
0060	BP Canada Energy Company	0WW6	Highpine Energy Inc.
0W9D	Burlington Resources Canada	0PF8	Hunt Oil Company
0T82	Canadian Forest Oil Ltd.	0R46	Husky Oil Operations Ltd.
0HE9	Canadian Natural Resources	0226	Nexen Inc.
0CW8	Compton Petroleum Corp.	0YT7	Mancal Energy Inc.
A162	Daylight Energy Ltd.	0246	Petro-Canada Oil and Gas
0F3F	Devon Canada	0N00	PrimeWest Energy Inc.
0D7E	Encana Oil and Gas Partnership	A2F0	Shell Energy
A08J	Enerplus Oil and Gas	0054	Suncor Energy
0KT5	Esprit Exploration Ltd.	0039	Talisman Energy
0JT1	ExxonMobil Canada Energy		

Rapid Trans Deposit Slips

Further to Appendix K of the Alberta Natural Gas Royalty Guidelines, royalty payers are required to fax a copy of their Rapid Trans Deposit Slip to the Financial Services Division, Revenue Operations at fax number (780) 422-4281 for the following reasons:

- **We require the information from your Alberta Energy Rapid Trans Deposit Slip to ensure payment is allocated promptly to your gas royalty account.**
- Your Alberta Energy Rapid Trans Deposit Slip is notification of your payment remittance and is reconciled to the bank information received from the Canadian Imperial Bank of Commerce.
- The Canadian Imperial Bank of Commerce does not automatically provide a copy of the Rapid Trans Deposit Slip to Alberta Energy, therefore, it is imperative for royalty clients to fax a copy of the Rapid Trans Deposit Slip to Alberta Energy at (780) 422-4281.

Royalty clients are reminded that payments may be made by pre-authorized automatic debit, further information on auto debit can be found on page 3 of Appendix K of the Alberta Natural Gas Royalty Guidelines.

For further information you may contact Angela St. Jean of Gas Royalty Accounts at (780) 644-4899 or Donna McLachlan of Financial Services at (780) 422-2872.

Update - Expected AC2 Reports on the Registry

Effective Monday, February 5, 2007 and each Monday thereafter to May 28, 2007, **(except for April 23, 2007 and May 21, 2007 when invoice runs are in progress)** expected capital cost allowance (AC2) reports are available on the Registry for client access. The reports are available in PDF, TXT and CSV formats.

Should you have any questions or concerns regarding AC2 expected reports or filings, please contact your Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin or contact Joey Dennis at (780) 422-9260.

Weighted Average Aggregator Overhead Marketing and Administration Charges (OMAC)

For Gas Corporate Average Price (CAP) filers, when determining the netback value, the weighted average OMAC type charges may be deducted for sales to non-designated aggregators. Refer to Chapter IV, Section 1.9.6.1 of the Guidelines for additional information.

The Weighted Average Aggregator OMAC ($/GJ) for 2006 is $0.020. Refer to Chapter IV, Sections 1.5.7 of the Guidelines for additional information.

Annual Weighted Average Gas Reference Price

The Annual Weighted Average Gas Reference Price for 2006 is $6.26. This price is used in the calculation to determine the 2006 minimum price for the Gas Corporate Average Price. Refer to Chapter IV, Section 1.9.6.3 of the Guidelines for additional information.

Historical Pricing and Royalty Data

A listing of historical royalty related data for information purposes was published in the February 2007 Information Bulletin.

New Meter Station Factors

The department has published new meter station factors in Information Letter 2007-02. The meter station factors are effective for varying production periods between October 2002 and September 2006. These same receipt meter station factors have also been revised for the October 2006 production period, which will remain in effect for subsequent production periods until otherwise changed.

If you have any questions, please contact Bill Zanewick, Director Gas Royalty Valuation and Markets Division at (403) 297-5465 or e-mail at bill.zanewick@gov.ab.ca.

Submission of Production Year 2006 Allowable Cost (AC) and Corporate Average Price Calculation (VA) Forms

Royalty clients are advised that Allowable Cost forms (AC1, AC2, AC3, AC4 and AC5) and Corporate Average Price calculation forms (VA2 and VA3) for the 2006 production year are due on the following dates:

Form Type	*Due Date*	*Penalty*
AC1	March 01, 2007	-
AC4	March 31, 2007	$200/Form/Year until received
VA2	April 15, 2007	$1,000/One time only
VA3	April 15, 2007	$1,000/One time only
AC2	April 30, 2007	$100/Form/Month until received
AC3	May 15, 2007	-
AC5	May 15, 2007	$100/Form/Month assessed when form is received

Please note that all allowable cost submissions (initial and amended filings for current and prior production years) by operators are required to be completed on the Registry. Although use of the Registry to file AC3 and AC5 documents is mandatory for operators, it remains voluntary for non-operators. However, non-operators are strongly encouraged to use the Registry to submit and retrieve their AC3 and AC5 data. The business rules and submission method for VA2 and VA3 forms remain the same with notification from the department informing clients that their forms have been processed. Annual allowable cost forms are processed nightly except during an invoice run cycle. New facility cost centre set-ups which are processed within four hours of receipt will continue to be generated during an invoice run cycle. The Corporate Average Price forms are processed as they are received.

The department encourages timely submissions to allow sufficient turnaround time for corrections. Non-operators are particularly encouraged to file their Corporate Average Price forms timely by mail or direct delivery to the Calgary Information Centre. The font size on faxed forms must be 10 pt or greater and must not be bold. Penalties will apply where valid system acceptable forms are received past the due date. Barring department's responsibility, inability to submit annual cost forms on the Registry and/or illegible script will not reverse a penalty once imposed.

Should you have any questions or require clarification regarding these matters, please contact Joey Dennis at (780) 422-9260 or e-mail joey.dennis@gov.ab.ca.

2006 AC4 Form - Allowable Operating Costs

The operator of a Facility Cost Centre (FCC) that is tied to a designated facility, or is a processing type FCC tied to a non-designated facility that is a sweet or sour gas plant, is required to report annual operating costs on the AC4 submission to the department, describing the allowable operating costs of the FCC for each year. Should the form ~~not~~ be submitted, no operating costs for the FCC will be applied in the ~~calc~~ulation of the Unit Operating Cost Rates (UOCR) for the following year.

The due date for the 2006 AC4 form is March 31, 2007. FCC operators are encouraged to submit their AC4 forms prior to the due date to allow for correction turnaround should rejections occur. Forms received after the due date are subject to penalty charges. The 2006 AC4 reminder notices were sent to operators, via the Registry, identifying those FCCs for which an AC4 form is required. AC4 reminder notices were loaded into the Registry on the following dates:

- February 23, 2007
- March 02, 2007
- March 09, 2007
- March 16, 2007

AC4 turnaround documents will not be produced as all corresponding data will be available on the Registry following processing of the data transfer files from the Mineral Revenue Information System (MRIS). AC4 rejection notices are also delivered to operators via the Registry.

Commencing the first week in March, a listing of outstanding AC4 forms are published on the Natural Gas website's Royalty Related Information page under Royalty and Related Information Review. Please scroll to the updates near the bottom of the page and select Outstanding AC4s for 2006 to open the most recent listing. Updates should be monitored closely in order to resubmit rejected forms on or before March 31, 2007. Should you have any questions, please contact Joey Dennis, Program Support, at (780) 422-9260.

F. POINTS OF CONTACT

Petroleum Registry of Alberta

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Alberta Energy Internet

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: http://www.energy.gov.ab.ca, from "Our Business", navigate to "Natural Gas", "About Natural Gas", "Prices", "Alberta Natural Gas Reference Price (ARP)".

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available on the Alberta Energy Internet address: http://www.energy.gov.ab.ca, from "Our Business", navigate to "Natural Gas", "Legislation, Guidelines & Policies".

Gas Royalty Client Services

The Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the "Gas Company" you would call C – G team at (780) 644-1202.

Business Associate	Phone Number and E-mail Address	Team Lead
Numbered companies, A, B & L	(780) 644-1201 GRCST1@gov.ab.ca	Mary Spearing
C – G	(780) 644-1202 GRCST2@gov.ab.ca	Lily Hiew
H – P (excluding L)	(780) 644-1203 GRCST3@gov.ab.ca	Chris Nixon
Q – Z	(780) 644-1204 GRCST4@gov.ab.ca	Kamal Rajendra

Gas Royalty Reception: (780) 427-2962
Fax: (780) 427-3334 or (780) 422-8732
Alberta Toll Free: (780) 310-0000
Hours of operation are 8:15 a.m. to 4:30 p.m.
Voice messages left after 4:30 p.m. will be answered the next business day.

In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the "Supra" business associate, or Royalty payer.

Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the "Supra" business associate (Royalty Payer).
   i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.

2. **Asset Purchase** - Call the team responsible for your company.
   i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets. You would not be entitled to information regarding business for TSP Exploration that is prior to the asset purchase.

3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client's company.
   i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

Reference Prices and Valuation Allowances Calculation Information

Gas Royalty Valuation and Markets
300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone (403) 297-5514
Fax (403) 297-5400

Calgary Information Centre

300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone (403) 297-6324
Fax (403) 297-8954

Alberta Royalty Tax Credit Information

Alberta Finance, Tax and Revenue Administration
Tax Services
Telephone: (780) 427-3044
Alberta Toll Free: (780) 310-0000
Fax: (780) 427-5074
For further information, please contact Tax Services at (780) 427-9425.

Deen Khan
Director, Gas Royalty Calculation
Gas Development

Attachments

2007 GAS AND ISC PRICES

MONTH	Gas Reference Price ($/GJ)	Methane ISC Reference Price ($/GJ)	Methane ISC Par Price ($/GJ)	Ethane ISC Reference Price ($/GJ)	Propane ISC Reference Price ($/GJ)	Butane ISC Reference Price ($/GJ)	Pentanes plus ISC Reference Price ($/GJ)
JAN	6.27	6.22	6.22	6.61	6.70	6.73	6.75
FEB							
MAR							
APR							
MAY							
JUN							
JUL							
AUG							
SEPT							
OCT							
NOV							
DEC							

Natural Gas and NGLs Select Prices for 2007

Commodity	2007
New Methane	1.450 $/GJ
Old Methane	0.427 $/GJ
New Ethane	1.450 $/GJ
Old Ethane	0.427 $/GJ
Propane	1.450 $/GJ
Butane	1.450 $/GJ
Pentanes plus	51.84 $/m3

Royalty Factors for Pentanes plus

	Base	Marginal
New Pentanes	22	35
Old Pentanes	22	50

DETAIL OF THE JANUARY 2007 GAS AND ISC REFERENCE PRICES

	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	6.578	6.543	6.833	6.882	6.886	6.889
Deductions: Intra – Alberta Transportation	0.240	0.255	0.145	0.102	0.079	0.060
Marketing Allowance	0.012	0.012	0.012	0.012	0.012	0.012
Price Before Pipeline Factor	6.326	6.276	6.676	6.768	6.795	6.817
Pipeline Fuel/Loss Factor	0.990	0.990	0.990	0.990	0.990	0.990
Price before Special Adjustment	6.263	6.214	6.610	6.700	6.727	6.749
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	6.263	6.214	6.610	6.700	6.727	6.749
Amendments: Carry forward (from previous RP month)	0.002	0.003	0.004	-0.001	-0.002	0.001
Prior Period Amendment Adjustment (current RP month)	0.001	0.001	0.000	0.000	0.000	0.000
Calculated RP after Amendments	6.266	6.218	6.614	6.700	6.725	6.750
JANUARY 2007 Reference Price	**6.27**	**6.22**	**6.61**	**6.70**	**6.73**	**6.75**
Difference = value carried forward to next RP month	-0.004	-0.002	0.004	0.000	-0.005	0.000
Adjusted IATD (before Prior Period Amendments)	n/a	0.252	0.144	0.101	0.078	0.060
Prior period Amendments (IATD and Pipeline Fuel Loss)	n/a	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)		0.252	0.144	0.101	0.078	0.060

2006 Weighted Average Reference Price ($/GJ)
6.260

2006 Weighted Average OMAC ($/GJ)
0.020

2007
NATURAL GAS LIQUIDS PRICES

MONTH	Ethane Reference Price ($/GJ)	Ethane Par Price ($/GJ)	Propane Reference Price ($/m3)	Propane Par Price ($/GJ)	Propane Floor Price ($/m3)	Butanes Reference Price ($/m3)	Butanes Par Price ($/GJ)	Butanes Floor Price ($/m3)	Pentanes plus Reference Price ($/m3)	Pentanes plus Par Price ($/m3)	Sulphur Default Price ($ per tonne)
JAN	6.61	6.61	275.42	6.70	210.69	308.33	6.73	252.50	430.65	411.32	11.18
FEB											
MAR											
APR											
MAY											
JUN											
JUL											
AUG											
SEPT											
OCT											
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
2001	2002	2003	2004	2005
$0.28	$6.74	$30.97	$31.98	$33.98

2007
NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a) REGION				PROPANE AND BUTANE (b) REGION				PENTANES PLUS, PROPANE & BUTANE (c) REGION				FRAC. ALLOW. (per m3)
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	21.10	17.07	34.15	13.26	31.36	8.32	-2.27	27.27	25.74	24.74	37.79	26.71	15.50
FEB													
MAR													
APR													
MAY													
JUN													
JUL													
AUG													
SEPT													
OCT													
NOV													
DEC													

(a) Pentanes Plus obtained as a specification gas product,
(b) Propane and Butane obtained as specification products, and
(c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

* Current month calculated allowance is based on an estimate.

Note: For details on "Prior Period Amendment Effects", see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS			
NGL REFERENCE PRICES	JANUARY 2007		
	Propane	*Butanes*	*Pentanes*
Price before amendments	266.699818	308.329685	430.648766
Opening Rollover (from prior business mth)	0.003760	-0.001908	0.000693
Prior Period Amendment Adj. (NGL-1)	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	8.719448	0.000000	0.000000
Published Reference Price	**275.42**	**308.33**	**430.65**

TRANSPORTATION ALLOWANCES	JANUARY 2007											
	Pentanes Plus				Propane and Butane				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	0.003312	0.000136	0.000858	-0.004175	-0.000685	0.000089	0.000281	0.003668	-0.004676	-0.000207	0.000652	-0.004591
Prior Period Amendment Adj. (NGL1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.000000	0.000000	6.469264	3.918085	8.587549	8.548778	3.708827	3.521731	2.989694	4.013945
Total Amendment Effect	0.003312	0.000136	0.000858	-0.004175	6.468579	3.918174	8.587830	8.552446	3.704151	3.521524	2.990346	4.009354
Calculated Transp. Differential	21.094061	17.074780	34.148273	13.264128	24.890247	4.406817	-10.856320	18.717501	22.036288	21.221956	34.801140	22.698245
Calculated Transp. Differential after Total Amendments	21.097373	17.074916	34.149131	13.259953	31.358826	8.324991	-2.268490	27.269947	25.740439	24.743480	37.791486	26.707599
Published Transportation Allowance	**21.10**	**17.07**	**34.15**	**13.26**	**31.36**	**8.32**	**-2.27**	**27.27**	**25.74**	**24.74**	**37.79**	**26.71**

•Any estimates represented by (•) are calculated as the weighted average of the other regions for the same spec product transportation allowance, since the region is zero. The weightings are based on the previous year's production.

2007
ROYALTY RATES

MONTH	METHANE-OLD (% per GJ)	METHANE-NEW (% per GJ)	ETHANE - OLD (% per GJ)+	ETHANE - NEW (% per GJ)	PROPANE (% per m^3)	BUTANES (% per m^3)	PENTANES – OLD (POL) (% per m^3)	PENTANES - NEW (PNE) (% per m^3)
JAN	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	46.47107	33.36157
FEB								
MAR								
APR								
MAY								
JUN								
JUL								
AUG								
SEPT								
OCT								
NOV								
DEC								